

## NOV 24 2004

BEFORE THE DEPARTMENT OF INSURANCE  
STATE OF NEBRASKA

## CONSENT ORDER

1. The Department initiated this administrative proceeding by filing a petition styled State of Nebraska Department of Insurance vs. Jon W. Sostad on July 26, 2004. A copy of the petition was served upon the Respondent at his registered address with the Department of Insurance of 3507 4<sup>th</sup> Avenue, Kearney, NE 68845 by certified mail, return receipt requested.

2. Petitioner alleges Respondent violated Neb. Rev. Stat. §44-4028(6) and (11) and §44-4059(1)(e) and (h) over a period of time from May 12, 1998 continuing until 2002 as a result of the conduct described in Paragraphs 4, 5, 6, and 7 of the Petition and Notice of Hearing. Petitioner hereby dismisses the allegations relating to Jim Owen d/b/a Kool Tattoo included in Paragraph 4 and Johnson Lawn & Landscape in Paragraph 5. Petitioner renews the allegations included in Paragraphs 6 and 7 of the Petition and Notice of Hearing, amended as follows:

Paragraph 6. Respondent engaged in conduct violating Neb. Rev. Stat. §44-4059(1)(h) due to his conduct as insurance producer for Mark Nordhues, M&R Construction when, on or about October 28, 2002, he provided a Certificate of Liability Insurance to M&R Construction representing the insurer as "Associated Underwriters Inc." Associated Underwriters Inc. is an insurance agency, not an insurer. Said Certificate represented M&R Construction had insurance coverage for the period of October 28, 2002 to October 28, 2003. M&R Construction then used this Certificate as proof of insurance coverage for a construction job when, in fact, insurance coverage was not bound. Prior to issuing the Certificate, Respondent did not contact Associated Underwriters Inc. ("AUI") for a quote on the M&R Construction insurance policies so the cost of insurance was estimated without adequate information and a deposit of \$500.00 was received. On or about December 1, 2002, M&R Construction sustained an insurance loss of over \$4,000 and did not have insurance coverage to cover the loss.

Paragraph 7. Respondent engaged in conduct violating Neb. Rev. Stat. §44-4059(1)(h) due to his conduct as insurance producer for BS&K Signs, Inc., d/b/a Miller Signs and Kris Miller when he failed to notify BS&K Signs that the workers' compensation coverage purchased beginning July 20, 2000 had not been extended past September 29, 2000. As a result, BS&K Signs did not have workers' compensation coverage from September 30, 2000 through January 2001.

3. Respondent was informed of his right to a public hearing. Respondent waives that right, and enters into this Consent Order freely and voluntarily. Respondent understands and acknowledges that by waiving his right to a public hearing, Respondent

also waives his right to confrontation of witnesses, production of evidence, and judicial review.

4. Respondent neither admits nor denies the Petitioner's allegations as amended and restated in Paragraph 2 above.

#### CONCLUSIONS OF LAW

Respondent's conduct as alleged above constitutes two violations of Neb.Rev.Stat. §44-4059(1)(h).

#### CONSENT ORDER

It is therefore ordered by the Director of Insurance and agreed to by Respondent, Jon W. Sostad, that Respondent shall pay an administrative penalty of \$950.00 within thirty (30) days from the date the Director of Insurance signs this Consent Order. In addition, Respondent must successfully complete three (3) hours of in-classroom continuing education related to Ethics in the sale of property and casualty insurance in addition to the continuing education hours required to maintain his producer's license for the period November 30, 2004 to November 30, 2006.

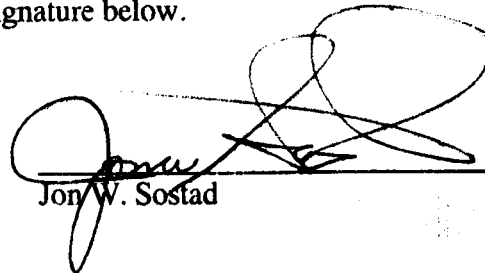
If Respondent fails to pay the administrative penalty when due, Respondent agrees that his insurance agent license shall be immediately suspended without further administrative action by the Department until such time as payment is made. Further, Respondent agrees that his failure to complete the continuing education requirement by November 30, 2006, allows the Department to immediately suspend his producer's license without further administrative action by the Department until such time as he meets the continuing education requirement.

The Nebraska Department of Insurance shall retain jurisdiction of this matter for the purpose of enabling the Respondent or the Department to make application for such further orders as may be necessary.

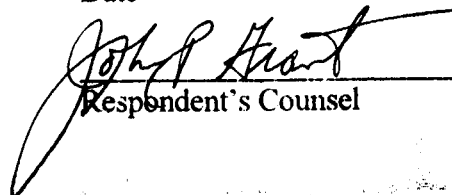
In witness of their intention to be bound by this Consent Order, each party has executed this document by subscribing his or her signature below.

  
\_\_\_\_\_  
Attorney for Petitioner

11/22/04  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Jon W. Sostad

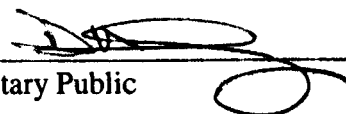
19 November 2004  
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Date

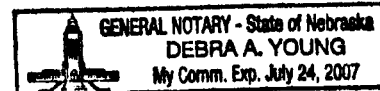
  
\_\_\_\_\_  
Respondent's Counsel

11-17-04

State of Nebraska )  
County of Buffalo ) ss.

On this 17 day of November, 2004, Jon W. Sostad personally appeared before me and read this Consent Order, executed the same and acknowledged the same to be his voluntary act and deed.

  
\_\_\_\_\_  
Notary Public



CERTIFICATE OF ADOPTION

I hereby certify that the foregoing Consent Order is adopted as the Final Order of the Nebraska Department of Insurance in the matter of State of Nebraska Department of Insurance vs. Jon W. Sostad, Cause No.: A-1537.

STATE OF NEBRASKA  
DEPARTMENT OF INSURANCE



L. TIM WAGNER  
Director of Insurance

11/24/04  
Date

CERTIFICATE OF SERVICE

I hereby certify that a copy of the executed Consent Order was served upon Respondent by mailing a copy to Respondent's address of 3507 4<sup>th</sup> Avenue, Kearney, NE 68845 by certified mail, return receipt requested, and to Respondent's counsel, John Paul Grant, at 3717 Harney Street, Omaha, NE 68131-3848 by U.S. Mail, postage prepaid, on this 24<sup>th</sup> day of November, 2004.

